

Minutes of the Meeting of the Board of Directors of Condominium Corporation No. 9710379 operating as Square Butte Ranch

Date and Time: December 20, 2021 at 4:00 pm. Due to isolation requirements the meeting was held electronically.

Directors Present: Denise McMullen, Max Gibb, Terry Royer, Steve Banzsky, Gary Bennett, Lori Young and Yvonne Gaudet.

Regrets: Bob Lunge, Renaissance Management

Present by Invitation: Grant Kelba for portion of the meeting.

1. The meeting was called to order at 4:05 with Denise McMullen acting as Chairman.

2. Agenda

The agenda as prepared by Denise McMullen was reviewed.

Motion: Agenda be approved.

Moved by Denise McMullen and seconded by Steve Banzsky. Passed unanimously.

3. Appointment to the Board

At the previous board meeting the board approved the appointment of Lori Young, to replace Nancy Barrett who resigned, pursuant to by-laws 11 and 20 provided she was willing to stand. Lori Young was approached, based on her previously expressed interest, and agreed to fill the vacancy.

Motion: That Lori Young be appointed to the board by the Directors to fill a vacancy.

Moved by Terry Royer and seconded by Yvonne Gaudet. Passed unanimously.

Additionally, the board suggested to Lori that she review the Board Committees to determine areas of interest and to consider acting as a liaison with the townhouse residents.

4. Minutes (of prior meeting)

Motion: The minutes of the last board meeting (being the November 25 meeting) as previously circulated to members by Yvonne Gaudet be approved.

Moved by Yvonne Gaudet and seconded by Dennis McMullen that the minutes be approved. Passed unanimously.

5. Renaissance Management Report

Bob Lunge was not in attendance to present his report. The board reviewed and discussed the highlights of his December 17th written submission.

Arrears Condominium

Bob's report noted that arrears associated with owner contributions, as reported at the previous board meeting, have been settled in full.

Financials

The board reviewed the financials report as at November 30, 2021 showing that operations expenses to that time were under budget. The board discussed specific items that were then over budget and the explanation for these variances.

Maintenance/Staff

Bob's report noted that Grant's contract is set for renewal. This item is further discussed under Operations Committee Report (item 7). In addition, clarification was sought regarding expenditure approvals for the Operations Committee and for invoice approvals.

Administration

Bob's report provided an update on the current approval status pertaining to lot 38 and the owners' need to acquire signatures on the special resolution they required for their requested easement over common area lands, in particular that only 19 owners have responded notwithstanding that a request had been circulated twice. The board noted that while the owner holds the ultimate responsibility in getting the signatures for an easement the owner is requesting, Max and Lori indicated that they will attempt to assist the owner by contacting owners who have yet to respond. It was agreed that Renaissance would be asked to provide a list of names of owners whose response to the special resolution remained outstanding.

Governance/Bylaws

Bob's report noted that our lawyer Sandy Cameron has completed a first draft of the by-laws update. Denise stated that the Governance Committee consisting of herself, Yvonne and Terry, will begin this work in 2022.

North Gate & South Gate Damage

Bob's report noted that the work has been completed.

Ranch Truck

Bob's report noted that reserve budget decisions were still outstanding regarding replacement of the leased ranch truck. Discussion followed and the board decided to table this item in order to gather more information regarding the options available under the current lease.

Townhomes Painting

Bob's report noted that Phase 1 is complete and that a review is required to confirm the scope of work and source of funds for Phase 2.

Outbuilding - Garbage Building

Bob's report noted that based on results of the windstorm the board needs to review options to restore or replace the structure. The main issue discussed by the board focused on what steps should be taken in connection with the current construction contract with Integrity Builders since the contract contains a cancellation clause. The board supports Denise in contacting Integrity Builders to follow up on this matter.

Windstorm Update

The board reviewed Bob's update on this matter and the discussion held by the board follows under New Business (item 10)

Correspondence

Bob's report noted correspondence from an owner offering to donate a fire pit. The item is included and addressed under New Business (item 10).

Correspondence from Dana Sharp, Loss Adjuster from Crawford and Company was received by Renaissance Management on December 20th. Bob forwarded this correspondence to the board and the correspondence is discussed under New Business (item 10).

6. Water Committee Report

Steve presented the water committee report. Discussion followed concerning the water system. It had been noted that the router used in the treatment plant required replacing and arrangements have been made with Foothills County, which manages our treatment system, to have it replaced. The second issue is related to well production. Well production levels are normally impacted by seasonal variations causing reductions in water supply during the winter months. Following a very warm and dry summer our well production levels have sustained greater impacts.

Steve reported that he and Grant met with Foothills County key contacts on December 10th via Zoom. The meeting was informative and positive. The two issues above, the failed router and low production levels, were discussed. Additionally, the possibility of upgrading our SBR water capacity was discussed. Testing of our currently unused wells can occur in the spring along with the installation and attachment of our repaired water storage tanks. The water committee will continue to work with the County and explore such other options for water supply.

Discussion followed concerning water usage over the holiday season. Arrangements have been made for Grant to be advised by the MD as soon as water levels fall to a low point where trucked in water would be necessary to make up for shortfalls so that he could contact Glacier and make the arrangements. The board agreed that it was necessary to send a communication to residents to convey the need for water conservation, particularly over the holiday season, and to include a copy of the SBR Water Use and Cost Recovery Billing Policy. Denise will prepare the communication and work with Renaissance to circulate.

Additionally the Board discussed the pros and cons of acquiring a generator that would support the water plant in the event of future power outages as has been suggested by the MD in the past. Steve will investigate the rate of return on an investment in a suitable generator and report back his findings.

7. Operations Committee Report

Gary presented the operations report. The operations report was short due to the other topics on the meeting agenda covering most of this area.

Discussion of Grant Kelba's consulting contract renewal for 2022 was discussed. The contract terms and schedule were reviewed and minor changes were identified. Denise will modify the contract to reflect the input received by the board. Gary will schedule a follow up meeting with Grant to review and complete the contract renewal.

Motion: Grant Kelba's consulting contract for 2022 be approved.

Moved by Denise McMullen and seconded by Terry Royer. Passed unanimously.

8. Operations Management Report (Grant Kelba)

Grant was invited for a portion of the meeting and advised of the following:

- Windstorm cleanup has been a major focus.
- Clay and Doug have done a tremendous job in managing this event and have rearranged their schedules so that they could work together to get the initial debris cleaned up quickly and ensure that work safety measures are in place.
- He has been assisting and supporting the Operations Committee to ascertain the scope of damage and what will be covered under the insurance claim. This includes also working with the insurance adjusters and Service Master.
- He has been gathering information and seeking solutions on how best to address the tree debris and future tree clean up requirements.
- He has been monitoring progress on repairs to saloon and townhomes.
- He has been working with Steve on the water plant issues which included attending a meeting with Foothills County.
- He has been putting plans into place for delivery of trucked water as an interim plan, specifically over the holidays when demand for water may increase.
- He has been working with Clay and Doug on ranch equipment needs and repairs, particularly the Polaris which has been breaking down. He suggests consideration be given to sell the skid steer that is not frequently used and purchase a snow blade for the tractor. Grant agreed to obtain 3 quotes for this.

9. Previous Business

- Townhouse owner request for front door replacement and side window installation - In the previous board meeting it was determined that as this is a structural project, requirements will be outlined and provided to the owner. Denise reported that she has prepared drafts of a form of approval letter and indemnity agreement that would be used in this kind of situation and would be circulating them to the rest of the board. The owner has been made aware that the board is to be provided with a description of the work required along with confirmation of the proposed builder's insurance.

- Website Upgrade - The previous board determined the need for the redevelopment of the Square Butte Ranch website. Currently the "members only" site is inoperable as the platform is too outdated. The 2022 budget includes the funding for this project. Yvonne reported that she will take the lead on the project. The website developer has been contacted and a project work plan will be prepared and brought back to the board for review at the next board meeting.

10. New Business

- Equipment Garage and Replacement of Garbage Building - The board discussed the status and plans for new buildings. Gary suggested that specifications and approvals be obtained from Foothills County before we can build a new plan. The operations committee will initiate discussions with the County to inform the development of the new plan going forward.

- Firepit Donation - Correspondence was received on December 14th from owners of Unit 54, Lori Young and Louis Delesalle, offering to donate to the ranch an above ground portable firepit with grill and domed cover for use in the pond pasture firepit area.

Motion: The board accept the donation of the firepit.

Moved by Terry Royer and seconded by Yvonne Gaudet. Carried.

- Wind Damage Insurance claim - The board first discussed the overall status of the wind damage insurance claim including correspondence dated December 20th from Dana Sharp, Loss Adjuster from Crawford & Company. It is noted that the windstorm on December 1, 2021 resulted in significant damages to Square Butte Ranch property. The condominium corporation carries a coverage limit of \$8,595,775.00 with a deductible of \$25,000.00. The windstorm damages to Managed Property include the saloon, fencing, townhouse exteriors, recycling shed/garbage enclosure and hay shed to varying degrees. The insurer's engineer is working on the report for saloon damages that will include the scope of repairing the building back to pre-loss condition. Accessing, protecting and preparing the saloon structure for repair has taken most of December to complete. In addition, roof inspections for the townhouses are in progress as are window repairs on some of the townhouse units. The board will have more detailed information in January as to the extent of the damage and the recommended repair steps.

The board additionally noted that, based on damage assessment information and repair progress available at the time of the meeting, it was inevitable that the claim for 2021 windstorm damage would be at least \$25,000 and that the windstorm would therefore impose an unforeseen 2021 expense.

Motion: That any 2021 budget surplus available be applied to windstorm damage expense up to the amount of the insurance deductible.

Moved by Terry Royer and seconded by Yvonne Gaudet. Passed unanimously.

- Tree cleanup on the Ranch - Following the wind storm event Clayton Fair, a resident of Square Butte, contacted the board to offer work services for tree removal on the common property area and other areas of the ranch during a limited period of time. The board was not in a position to respond as it was early in the insured repair/replacement stage. Steve agreed to follow up with Clayton to advise him of this and to suggest that this did not preclude him from making direct contact himself with the acreage owners, many of whom also had need of storm damaged tree removal.

- Future of Ranch - Max proposed that a discussion be held at the board level to review what owners wanted from the ranch. A brief discussion followed that acknowledged the uniqueness of our development and that we should be making plans for the future that would

maintain the uniqueness while at the same time responding to changing owner preferences. The board felt that this sort of discussion should be made part of a strategic planning session of the board to be held as soon as possible. Denise agreed to contact Kelly Long and see if she would be willing to lead such a session.

12. Next Meeting:

The next meeting of the Board is scheduled to be held January 20 at 4:00 p.m.

13. Adjournment

Motion: The meeting be adjourned at 7:02 p.m.

Moved by Yvonne Gaudet and seconded by Lori Young. Passed unanimously.

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